

ESTTA Tracking number: **ESTTA600630**

Filing date: **04/25/2014**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92058635
Party	Defendant Domaine Carneros, Ltd.
Correspondence Address	DOMAINE CARNEROS LTD 1240 DUHIG ROAD NAPA, CA 94558 UNITED STATES bharoche@beyerscostin.com
Submission	Answer and Counterclaim
Filer's Name	Paul W. Reidl
Filer's e-mail	paul@reidllaw.com
Signature	/pwr/
Date	04/25/2014
Attachments	DomaineCarneros Answer.pdf(55066 bytes)

Registration Subject to the filing

Registration No	3358681	Registration date	12/25/2007
Registrants	Karren, Charles 3845 Ely Road Petaluma, CA 94954 UNITED STATES Karren, Diana 3845 Ely Road Petaluma, CA 94954 UNITED STATES		
Grounds for filing	The registered mark has been abandoned.		
	The registration was obtained fraudulently.		

Goods/Services Subject to the filing

Class 033. First Use: 2007/01/07 First Use In Commerce: 2007/01/07
All goods and services in the class are requested, namely: Wine

1 **BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE**
2 **TRADEMARK TRIAL AND APPEAL BOARD**

3
4 Registration No. 3,613,730

5 Mark: LA TERRE PROMISE

6 Class: 33

7 _____)
8 **DIANA AND CHARLES KARREN,**)

9 Petitioners,)

10 v.)

11 **DOMAINE CARNEROS LTD.,**)

12 Respondent.)
_____)

Cancellation No: 92058635

ANSWER AND COUNTERCLAIMS

13 Respondent through its counsel hereby answers and counterclaims as follows¹:

14 **ANSWER**

15 1. Respondent admits the allegations in the first sentence but denies the remaining
16 allegations in Paragraph 1 of the Petition.

17 2. Respondent admits the allegations in Paragraph 2 of the Petition.

18 3. Respondent admits that the alleged acts occurred on the alleged dates but denies
19 the remaining allegations in Paragraph 3 of the Petition.

20 4. Respondent denies the allegations in Paragraph 4 of the Petition.

21 5. Respondent admits the allegations in Paragraph 5 of the Petition.

22 6. Respondent admits the allegations in Paragraph 6 of the Petition.

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24 ¹ By agreement between counsel, Respondent had until April 25, 2014 to agree to
Petitioners' settlement demand or respond to the Petition.

7. Respondent admits that the web site speaks for itself but denies the remaining allegations in Paragraph 7 of the Petition.

8. Respondent admits that the registration issued on the alleged date but denies the remaining allegations of Paragraph 8 of the Petition.

9. Paragraphs 1-8 of Respondent's Answer are incorporated herein by reference in response to the allegations in Paragraph 9 of the Petition.

10. Respondent denies the allegations in Paragraph 10 of the Petition.

11. Respondent admits that the goods specified in its registration are wines, otherwise it denies the allegations in Paragraph 11 of the Petition.

12. Respondent denies the allegations in Paragraph 12 of the Petition.

13. Respondent denies the allegations in Paragraph 13 of the Petition.

14. Respondent denies the allegations in Paragraph 14 of the Petition.

15. Respondent denies the allegations in Paragraph 15 of the Petition.

16. Respondent denies the allegations in Paragraph 16 of the Petition.

17. Respondent denies the allegations in Paragraph 17 of the Petition.

18. Respondent denies the allegations in Paragraph 18 of the Petition.

19. Respondent denies the allegations in Paragraph 19 of the Petition.

20. Respondent denies the allegations in Paragraph 20 of the Petition.

AFFIRMATIVE DEFENSES

1. Respondent's application was published for opposition on November 5, 2008, or 5 ½ years ago. Publication of the application put Petitioners on constructive notice of Respondent's intention to use the mark for the specified goods. On information and belief, Petitioners had actual notice of the use and registration long prior to the filing of this Petition.

1 Rather than assert their claim against Respondent in a timely way, they waited and watched to
2 see how Respondent would develop its trademark. Respondent invested substantial time and
3 effort into its trademark during the intervening 5 1/2 years. Petitioners' delay caused material
4 prejudice to Respondent because it would not have adopted or invested in the trademark if
5 Petitioners had been diligent in pursuing their claim. The claim is therefore barred by the
6 doctrine of laches.

7 2. During the prosecution of their application, Petitioners were asked by the
8 Examining Attorney to provide a translation of the applied-for mark. The translation that they
9 provided was "land of promise." On information and belief, this was provided in order to avoid
10 possible Section 2 (d) citations to other then-pending applications or registrations. Petitioners
11 are therefore equitably estopped from claiming that their registered mark has a meaning other
12 than that provided to the Examining Attorney.

13 COUNTERCLAIMS

14 Respondent hereby asserts the following counterclaims against Respondent:

- 15 1. Respondent is the owner of Registration No. 3,613,730 for wines.
- 16 2. Petitioners are the owner of Registration No. 3,358,681 for wine.
- 17 3. Petitioners have sought to cancel Respondent's registration, claiming that
18 Petitioners have priority and that there is a likelihood of confusion between the two registered
19 marks. Respondent would be injured if its registration was cancelled.
- 20 4. Respondent is a winery in Napa, California. Napa Valley is one of the most
21 prestigious wine grape growing areas in the United States if not the world.
- 22 5. Petitioners are husband and wife, married. They live in Petaluma, California.
23 They grow wine grapes. They are not licensed to make wine. They do not own winemaking
24

1 facilities. They do not have a Basic Permit from the United States Alcohol and Tobacco Tax and
2 Trade Bureau to make and sell wine. They sell their grapes to licensed wineries so that the
3 grapes can be vinified into wine that is then sold by the licensed winery using the brand name(s)
4 of the licensed winery.

5 6. TERRA DE PROMISSIO is the name of Petitioners' vineyard. The vineyard is
6 located in Sonoma County, California.

7 7. On March 5, 2007, Petitioners applied to register the TERRA DE PROMISSIO
8 trademark under Section 1(a) of the Lanham Act. At the time, Petitioners were not using the
9 trademark on wine in commerce in the United States.

10 8. The specimen submitted on March 5, 2007, was a label for wines made by Siduri
11 Wines in Santa Rosa, California. At the time, Siduri Wines was not using the trademark on wine
12 in commerce in the United States.

13 9. On information and belief, as of March 5, 2007, Petitioners did not have a license
14 agreement with Siduri Wines under which Petitioner controlled the quality of the wine made
15 from grapes grown on Petitioners' vineyard and to be sold under Petitioners' TERRA DE
16 PROMISSIO trademark. Petitioners did not control the quality of any wine made by Siduri
17 Wines and labelled with Petitioners' trademark.

18 10. The specimen submitted on March 5, 2007, does not show use of Petitioner's
19 trademark on wine. Rather, it depicts a TERRA DI PROMISSIO VINEYARD trademark on a
20 label for SIDURI wine.

21 11. On January 28, 2013, Petitioners filed a declaration under Sections 8 and 15 of the
22 Lanham Act.

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1 12. The specimen submitted on January 28, 2013 with the declaration submitted
2 under Sections 8 and 15 of the Lanham Act was a label for a LYNMAR ESTATE wine. The
3 label also contained the term TERRA DE PROMISSIO.

4 13. On information and belief, the label submitted as a specimen on January 28, 2013
5 with the declaration under Sections 8 and 15 of the Lanham Act was not in use in commerce in
6 the United States.

7 14. On information and belief, as of January 28, 2013, Petitioners did not have a
8 license agreement with the producer of the LYNMAR ESTATE wine under which Petitioners
9 controlled the quality of the wine made from grapes grown on Petitioners' vineyard. Petitioners
10 did not control the quality of any wine made by the producer of the LYNMAR ESTATE wine
11 and labelled with Petitioners' trademark.

12 15. On information and belief, Petitioners have never made their own wine bearing
13 the registered trademark. To the extent that third parties have used their trademark on wines
14 made with grapes grown by Petitioners, they have not exercised any quality control over the
15 wines made by those third parties.

16 16. On information and belief, Petitioners do not have a written agreement between
17 themselves governing how the quality of wine made from their grapes will be monitored and
18 controlled.

19 17. On information and belief, Petitioners do not have any quality control standards
20 for wines made from their grapes and bearing the registered trademark.

21 **CLAIM 1 – ABANDONMENT**

22 18. Paragraphs 1-17 of the Counterclaim are hereby incorporated by reference.

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1 19. By failing to exercise meaningful quality control over the wine made from their
2 grapes, Petitioners have engaged in naked licensing of their registered mark and the registration
3 has therefore become abandoned.

4 **CLAIM 2 – VOID REGISTRATION**

5 20. Paragraphs 1-19 of the Counterclaim are hereby incorporated by reference.

6 21. The registration is void ab initio because Petitioner was not using the applied-for
7 mark on the goods of the date of the application.

8 22. The registration is void ab initio because Petitioner did not have a proper
9 licensing agreement with Siduri Wines as of the date of the application and therefore none of the
10 goodwill from the sales of wine bearing the applied-for mark, if any, inured to Petitioner's
11 benefit.

12 23. The registration is void ab initio because Siduri Wines was not using the applied-
13 for mark on the goods as of date of the application.

14 24. The registration is void because Petitioner did not have a proper licensing
15 agreement with the owner of the LYNMAR ESTATE label as of the date of the filing of the
16 Section 8 and 15 declaration and, therefore, none of the goodwill from the sales of wine bearing
17 the registered mark, if any, inured to Petitioners' benefit.

18 25. The registration is void because LYNMAR ESTATE was not using the registered
19 mark on the goods as of date of the Section 8 and 15 declaration.

20 **CLAIM 3 –LIMITATION OF TRADE CHANNELS (SECTION 18)**

21 26. Paragraphs 1-25 of the Counterclaim are hereby incorporated by reference.

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27. Alcohol beverages are distributed through a “three tier” distribution system. Under this system, a producer sells the wine to a licensed wholesaler distributor which, in turn, sells the wine to a licensed retailer for purchase by the consumer.

28. Some wines are sold on a “direct to consumer” basis. These wines are not sold at retail through the three tier system. Rather, they are sold only from the winery by the producer directly to the consumer.

29. The Petition alleges that the general public is likely to be confused by the existence of the two trademarks. If the Board believes that confusion among the general public is likely, then under Section 18 of the Lanham Act Respondent would limit its registration to the following trade channel: “wines sold from Registrant’s winery directly to consumers.” This would eliminate any possibility of confusion because consumers who were purchasing Respondent’s wine would know that they were purchasing Respondent’s wine because they were dealing directly with Respondent. This would be an equitable limitation given the long co-existence between the two trademarks.

WHEREFORE, Petitioner's registration should be cancelled. The filing fee has been paid with the filing of this pleading.

Respectfully submitted,

LAW OFFICE OF PAUL W. REIDL

By: /paul w. reidl/

Dated: April 25, 2014	Paul W. Reidl Law Office of Paul W. Reidl 241 Eagle Trace Drive Half Moon Bay, CA 94019 (650) 560-8530 paul@reidllaw.com
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Attorney for Domaine Carneros Ltd.

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On April 25, 2014, I caused to be served the following document:

ANSWER AND COUNTERCLAIMS

on Opposer by placing a true copy thereof in the United States mail enclosed in an envelope, postage prepaid, addressed as follows to their counsel of record at his present business address:

JAY M. BEHMKE
CARLE MACKIE POWER & ROSS LLP
100 B STREET SUITE 400
SANTA ROSA, CA 95401

Executed on April 25, 2014 at Half Moon Bay, California.

James Beird